



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2017 Biennium

Bill #	SB0390	Title:	Study fees charged relating to boards
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Primary Sponsor:	Arntzen, Elsie	Status:	As Introduced
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|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>	<u>FY 2018 Difference</u>	<u>FY 2019 Difference</u>
Expenditures:				
General Fund	\$6,458	\$4,305	\$6,523	\$4,348
State Special Revenue	\$13,439	\$8,960	\$15,091	\$10,060
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>(\$6,458)</u>	<u>(\$4,305)</u>	<u>(\$6,523)</u>	<u>(\$4,348)</u>

Description of fiscal impact: SB 390 requires the Economic Affairs Interim Committee (EAIC) to conduct a study of fees charged by the Department of Labor and Industry (DLI) to licensing boards and fees set by boards in licensing individuals or businesses as required by statute. The complete fiscal impact of this study is unknown; however some assumptions can be made based on experience with the EAIC during their last study of boards and licensing.

FISCAL ANALYSIS

Assumptions:

Legislative Services Division (LSD)

1. Section 1 of SB 390 requires the economic affairs committee to conduct a study of fees charged by the department of labor and industry to licensing boards.
2. It is estimated that the economic affairs committee would need to hold three one-day meetings in order to accomplish the requirements of this bill. It is estimated that the cost of one one-day meeting in Helena is \$3,588, for a total cost of \$10,763 for the 2017 biennium, not including additional contracted services or operational support for the committee.

3. SB 390 is one of several bills seeking to add to the duties of interim and administrative committees. The fiscal note for each bill is prepared based on the effect of the individual bill. However, when viewed as a package, the cumulative effect of passage of more than one bill will require additional analysis and may require additional resources.
4. It is assumed that, because SB 390 has no termination date, the requirements of the bill will continue through the 2019 biennium. Applying a 1.5% inflationary factor to the travel costs calculated for the 2017 biennium, it is assumed that this study will cost a total of \$10,871 in the 2019 biennium.
5. Biennial costs are split 60% - 40% between fiscal years.

Department of Labor & Industry (DLI)

6. In past EAIC studies, the boards selected were required to provide information and report to the committee. Some boards were also asked to have members testify at the committee hearings. Executive officers for the boards, the division administrator, division bureau chiefs, and the division fiscal officer, all had additional work load as a result of the study. Some overtime did occur in order to provide the data and reports requested; other work was postponed in order to provide the information in a timely manner and meet deadlines. Based on past history, it is estimated that for each board reviewed, there will be a minimum additional workload of 40 hours per board. As this work would be completed by existing staff, total costs to the board would not increase, however, administrative costs for the boards being studied would increase, which would decrease the appropriation those boards had available for direct charges, such as trainings or compliance.
7. Although it is unknown how many boards will be reviewed each year or the extent of the review, DLI will base the fiscal impact to the department on the assumption used by the LSD of three one-day meetings each biennium and assume 27 board members would attend each meeting.
8. Per diem to board members to attend a meeting is estimated to be \$4,050. (\$50 per day x 27 board members involved x 3 meetings per biennium). Any time spent gathering information or meeting outside of the EAIC meeting to prepare would be additional per diem costs to the board.
9. Total travel costs for 27 board members to attend three extra meetings in person and/or provide testimony to the committee, are estimated to be \$18,349 including lodging, meals, and mileage.
10. Estimated total costs, not including additional personal service costs are \$22,399 in the 2017 biennium with a 1.5% inflation factor applied to travel costs for the 2019 biennium.
11. Biennial costs are split 60% - 40% between years.

	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>	<u>FY 2018</u> <u>Difference</u>	<u>FY 2019</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Personal Services (LSD)	\$2,128	\$1,418	\$2,128	\$1,418
Operating Expenses (LSD)	\$4,330	\$2,887	\$4,395	\$2,930
Personal Services (DLI)	\$2,430	\$1,620	\$2,430	\$1,620
Operating Expenses (DLI)	\$11,009	\$7,340	\$12,661	\$8,440
Transfers	\$0	\$0	\$0	\$0
TOTAL Expenditures	\$19,897	\$13,265	\$21,614	\$14,408
<u>Funding of Expenditures:</u>				
General Fund (01)	\$6,458	\$4,305	\$6,523	\$4,348
State Special Revenue (02)	\$13,439	\$8,960	\$15,091	\$10,060
TOTAL Funding of Exp.	\$19,897	\$13,265	\$21,614	\$14,408
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0
TOTAL Revenues	\$0	\$0	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$6,458)	(\$4,305)	(\$6,523)	(\$4,348)
State Special Revenue (02)	(\$13,439)	(\$8,960)	(\$15,091)	(\$10,060)

*Sponsor's Initials*_____
*Date*_____
*Budget Director's Initials*_____
Date